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GEF OFFICE OF MONITORING AND EVALUATION: PROGRESS REPORT FROM THE DIRECTOR

(Prepared by the GEF Office of Monitoring and Evaluation)

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INTRODUCTION

1. Various issues were raised and decisions were taken at the Council meeting in November which the Office of Monitoring and Evaluation would like to report on. These are the Consultative Process with partners in the GEF Family on a new GEF M & E policy, the local benefits study is in its final stages before completion and a new evaluation on the GEF support to the Cartagena protocol on biosafety.

2. Furthermore, this is an opportunity to report on several changes that were put in place after the Council meeting in November on which the Office is happy to report. First of all, the process of involving all relevant stakeholders in evaluations and to be as open and transparent as possible has led to the practice of publishing draft terms of reference of evaluations on the website. The first evaluation for which this was done was that of the GEF's support to the Cartagena protocol on biosafety. As a result, the Office received several good and useful comments and some inquiries. This step increases the transparency with which the Office operates and it potentially contributes to the quality of the work that is being done.

3. Another step towards increased transparency was achieved when the Office succeeded in publishing all public terminal evaluations of GEF projects in the GEF project database on the internet. This means that any interested party can read and study these terminal evaluations and that the accountability of the GEF to the general public has increased. The Office is happy to report that the Implementing Agencies fully supported this move and actively disclosed these evaluations and made them available, in accordance with their internal disclosure policies.

4. Various discussions and consultations took place since November to discuss the transfer of the responsibility for monitoring for management purposes to the Secretariat. While this move is still underway, the Secretariat and the Implementing Agencies have at various occasions assured the Office that they will continue to undertake the portfolio reviews that have been the basis of the Project Performance Reviews in the past. The portfolio reviews on Fiscal Year 2004 have been published on the internet as information documents for Council.

5. The first substantial section of this progress report will focus on the Consultative Process with GEF M & E partners. This process, while not finished yet, has led amongst others to four important results.

- The universal agreement that the GEF will establish minimum standards for evaluations in the new GEF M & E policy;
- The inclusion of the evaluation departments of the Implementing and Executing Agencies in the new GEF M & E policy;
- The proposal to undertake a joint evaluation of the GEF activity cycle and modalities, with the objective to better integrate and mainstream the GEF into the cycles and modalities of the Implementing and Executing Agencies, and to increase the efficiency of the activity cycle;

- The full membership of the UN Evaluation Group, which involves the Office in further discussions about the future of evaluation in the UN system.

6. Furthermore, two main recommendations for the new GEF M & E policy were formulated:

- The Office should in future concentrate on evaluation and concern itself with monitoring only to the extent that it regularly reviews the quality of existing monitoring systems; monitoring as a management tool will need to be transferred fully to the Secretariat and Implementing and Executing Agencies.
- A strong involvement of the evaluation departments in efforts to increase learning and knowledge sharing throughout the GEF.

7. As a last point of information, the UN Evaluation Group at its annual meeting in Rome at the end of April, 2005, adopted norms and standards for evaluation. These norms and standards include the issues that are of primary concern to the GEF, such as independence of the evaluation function, involvement of stakeholders, use of reliable data gathering and valid analysis of data, and numerous other aspects of evaluations which can be incorporated in the GEF minimum evaluation standards.

CONSULTATIVE PROCESS

8. In November 2004, the Council recommended that the Office of Monitoring and Evaluation should initiate a process leading up to a new GEF monitoring and evaluation policy in preparation for GEF4. The starting point for this exercise are the elements for a new GEF M & E policy as contained in document GEF/ME/C.24/1, which were approved by Council. This note presents a progress report on achievements to date and next steps. Some of the consultations with GEF partners have already resulted in new and coordinated initiatives which are included in document GEF/ME/C.25/3 “Four Year Work Program and Budget”.

9. Based on the Office of Monitoring and Evaluation mission statement of “Enhancing global environmental benefits through excellence, independence and partnership in monitoring and evaluation”, the November 2004 Council session agreed with the proposals concerning:

- The interaction between the Council and the Office of M&E;
- The procedure for management responses to M&E reports, and for reporting on follow-up of Council decisions on M&E reports;
- The annual Project Performance Report to be transformed into an annual GEF Performance Report; and
- The start of a process of consultation with GEF partners to develop proposals for a new division of labor on M&E instruments.

10. The process of consultation with GEF partners has two main goals: (a) to review the division of labor in monitoring and evaluation within the GEF; and (b) to promote the highest

international standards and best practices in monitoring and evaluation of GEF activities. This is in response to the terms of reference of the independent M&E unit that call for further improvement of monitoring and evaluation in the GEF family. This collaborative effort with the evaluation units, offices and departments of the GEF partners will identify best practices (i.e. benchmark) in monitoring and evaluating the specific issues that the GEF is concerned about, and that will serve as “minimum M&E standards” within the GEF family.

11. Following the GEF Council decision, the process was launched with a brainstorming workshop with relevant GEF monitoring and evaluation partners in January 2005. The workshop brought together, for the first time, evaluation experts; monitoring practitioners and managers from the three Implementing agencies (IAs), the executing agencies (EAs), the GEF Secretariat and the GEFME.

12. The participants discussed current practices and problems in M&E, and agreed that:

- The GEF should establish “minimum standards” for M&E that reflect best practice, harmonization and simplification.
- The responsibilities for GEF monitoring should lie with operational units. The GEFME should focus on evaluation and oversight, and consequently discontinue the use of ‘monitoring’ in its name.
- Agency evaluation offices should also be part of the M&E system for GEF projects, to enhance the combined capacity of the GEF system to effectively meet monitoring and evaluation needs.
- The GEF partners should strengthen joint initiatives, especially for impact assessments and country portfolio evaluations.
- A joint evaluation of the GEF programming cycle and modalities should be undertaken.

13. The consultative process so far has led to the identification of various key issues that will need to be addressed in the new GEF M & E policy:

- The approaches to **independently** conducted evaluation vary among the various agencies and depend on the organizational structure. Some agencies report directly to their Boards, while others work independently but do not as yet have full organizational independence. Some agencies also partly rely on self-assessments. A specific challenge is the independence and quality of commissioned and/or decentralized evaluations.
- The issue of **project evaluation** presents great opportunities for network synergies and possibilities for avoiding overlap. Two aspects are under discussion: (a) standards for content and conduct of these evaluations; and (b) responsibilities and standards for quality assurance. Issues relate to the independence, frequency, comparability, accessibility and quality of project evaluations, both for final evaluations and for mid-term reviews which tend to be seen as a monitoring tool.
- The new mechanisms of evaluations at **country portfolio level and of impact** will benefit from the experiences of the partner agencies. Most GEF partners regularly conduct country-level performance evaluations, with varying scope and coverage

(except for two agencies which do not have country programming). The current approaches to impact assessments are more varied and depend, inter alia, on how intended impact is defined within each agency. The methodology and approach of the GEF Office of M&E will reflect good practices in this area, and the possibilities of expanding the scope of environmental impact evaluation of various Agencies.

14. With the new division of labor in M&E, the Implementing Agencies will remain responsible for monitoring on the project level, the GEF Secretariat will assume the portfolio monitoring function and the Office of M&E will focus on validation and oversight of M & E systems across the GEF. Key issues to be addressed include:

- This year's **Annual Performance Review (APR)** is a step towards the Office's reporting on its validation and oversight functions. The APR includes an account of processes that affect accomplishment of results of GEF activities and the state of project monitoring and evaluation activities across the system. In the following years the APR will be expanded to include an account of results of GEF activities and will incorporate additional performance indicators that will be developed.
- The Office of M&E will also provide the council with a **Management Action Record (MAR)** that will provide a comprehensive view of the actions taken by management in response of previous evaluations. The Office, in consultation with the IAs and the Secretariat, will present a proposal on how to shape the MAR.
- The Office of M&E will continue to work with other GEF agencies to better define and rationalize **portfolio monitoring tools and processes** as management instruments.

15. The proposed **joint evaluation of the GEF process issues** has been entered into the work plan for FY06. The partners have reviewed approach paper to the evaluation to better determine a scope with common factors and benefits, and interlinked processes such as UN efforts to streamline procedures and practices. At the same time, the evaluation will aim to provide timely insights into a range of emerging good practices in program modalities to underpin any upcoming results allocation framework for the GEF. The recent GEFME study on factors that affect elapsed time in GEF project preparation, presented in the 2004 GEF Annual Performance Review, will help determine evaluation questions that require further analysis.

16. Other opportunities for joint activities have been identified, including support for the planned **GEF evaluation on replication** and catalytic effect, for which the recent IFAD evaluation on its innovation mandate will be an important input when developing GEF approach to evaluating innovation and replication. IFAD has expressed interest in joining forces on the issue of assessing the capacity of the two organizations as promoter of innovations, including what has been done to promote replication, as well as whether replication actually took place or how that could be measured. Other agencies, such as UNCDF and an upcoming Dutch-Chinese evaluation of replication of Dutch investments in China, also have a catalytic character and may contribute lessons learned and experience.

17. A number of partners may be interested in a joint and broad evaluation of **Persistent Organic Pollutants (POPs)**. In particular, UNIDO, IFAD, FAO and the GEF are involved in this specific area. Such an evaluation with joint partners would allow for more extensive coverage of issues than if the evaluation was undertaken for the GEF portfolio alone, thus providing possible integrated and coordinated future directions of POPs and support in this area.

18. Within the OECD/DAC Network on Development Evaluation, the Office has volunteered to be subject of a DAC-sponsored peer review as a representative of a global program. For the Office of Monitoring and Evaluation the assessment would potentially help strengthen the efforts to increase quality assurance of evaluations, evaluation policy and programming. During the DAC meeting in Copenhagen, agreement was reached on how to go forward with the acceptable pilot framework of this **assessment of multilateral** evaluation units.

19. Further to the workshop, extensive interaction with partners has taken place and will continue in the coming months. Regular channels of consultation, with designated focal points, have been established with the evaluation offices. **Bilateral consultations with Agency evaluation offices** focused on sharing the respective evaluation agendas for coming years to seek joint evaluation opportunities. These bilateral consultations took place with the evaluation departments of the UNEP, UNDP and the World Bank, as well as with EBRD and the African Development Bank. Further bilateral consultations are foreseen in the coming months with UNIDO and the Asian Development Bank.

20. In some cases, agreement was reached to explore how to extend the coverage of GEF projects as part of the agency's own environmental evaluation, or to involve the GEF Office of M&E in future evaluations. For example, the Annual Report of the UNDP Administrator on Evaluation 2004, states that "The need for incorporating GEF-funded operations more closely into UNDP evaluations at country and programme levels has been recognized as a priority for 2005." In other cases, clarity has been reached on the independent role of evaluation in the Agency. Several agencies are currently in the process of developing and/or refining their Agency's evaluation policy or strategy, thus providing excellent opportunities for synergies and maximum integration with the GEF M&E policy.

21. The process of establishing standards for monitoring and evaluation is greatly benefiting from two parallel initiatives: (a) the recent DAC workshop on quality standards of evaluations, which concluded that donor assessments converge on a majority of criteria; and (b) the UN Evaluation Group (UNEG) work on minimum norms and standards in the UN system. The UNEG, in which the GEF Office of M&E is an observer, approved a set of standards and norms at its April 2005 meeting. These norms apply to the five UN organizations that are GEF implementing and executing agencies, and are aspirational in that they contain ambitious norms for independence, professionalism and conduct of the evaluation function. They are to be embedded, as appropriate, in Agencies' evaluation policy or strategies.

22. The next step in this process is that UNEG will develop a peer review mechanism to support the UN agencies in aspiring to the norms and standards. It is expected that the peer reviews will first focus on issues which need to be addressed to reach the norms and standards and later will deliver a professional “stamp of approval” to evaluation departments and their agencies which fully confirm to the norms and standards.

23. The UNEG partners also discussed experiences and lessons learned that inform the GEF current benchmarking and policy work, for example lessons in developing evaluation policy; in establishing institutional models for evaluation; for country assessments and evaluation methodologies; practices in joint evaluation; and RBM.

24. To broaden the range of evaluation cooperation partners and better reflect the recipient country perspectives, the Office took part in the **1st Biennial Conference of the International Development Evaluators Association (IDEAS)**. The Conference highlighted the problems that development evaluators are facing in a changing world: (a) from aid evaluation to development evaluation; (b) empowering existing evaluation capacity in developing countries; (c) internationally accepted principles, guidelines, norms and standards for the profession and the work that we do. The conference established that many countries are building national evaluation systems with various degrees of independence. However, these systems are rarely mandated to evaluate aid or grant money coming into the country. This and other structural difficulties have consequences for the involvement of independent evaluation capacity in the country concerned in evaluation of the GEF country portfolio. The Office is exploring additional efforts to identify and interest local evaluation capacity, and intends to work further with the IDEAS and the GEF Focal Points in this regard.

25. The initial consultations with the GEF **Scientific and Technical Advisory Panel** indicate that STAP could assist the Office of M&E by (a) supporting specific evaluation exercises in which scientific factors are especially important, and (b) providing advice on future evaluation methodology. Specific areas of common concern include impact assessments and knowledge management. The possibilities for collaboration will be pursued in conjunction with the STAP retreat in June 2005.

26. Initial consultations have been held with a number of NGOs and the research community, in particular IUCN, the International Food Policy Research Institute (IFPRI) in Washington, DC, and the Institute of Development Studies in West Sussex, UK.

Next Steps

27. The issues above will be debated and explored further in the consultative process. The Office agrees with the OPS3 recommendation that the consultative process be formalized and institutionalized to create a community of practice of M&E in the GEF. The periodicity of meetings and other permanent consultation mechanisms are being established in consultation with the partners, and integrated into the new M&E policy. In addition, specific meetings regarding joint evaluations will be held with the relevant partners.

28. After these initial discussions, the focus of the process will now shift to actual benchmarking of M&E tools and processes. It will be based on collaborative reviews of Agency policies and practices and international standards which the Office has completed, and center around the key issues identified above.

29. Further discussions with a broader set of stakeholders are needed, including surveys of country stakeholder needs. In this regard, the Office will seek feedback on M&E concerns from the GEF Operational Focal Points and GEF Regional NGO Focal Points. Identification of country perspectives and harmonization possibilities are also expected to emerge from other Office activities such as country portfolio evaluations. Broader discussions with the research community will be sought within the coming months, both on standards and methodologies in environmental evaluation, and actual cooperation possibilities.

30. The draft GEFME M&E policy will be shared for review by the GEF M&E partners, tentatively during the third quarter of 2005 and presentation to the next GEF Council in November 2005. The policy should become operationalized through additional guidance, training, and dissemination and support as appropriate.

31. Over the last years, the international donor and evaluation communities have raised a number of issues that has helped bring development evaluation forward, such as managing for development results, development effectiveness, MDGs and poverty, policies and harmonization. However, the specific challenges of results within the environmental field, globally and locally, have not been at the forefront of public debate. The consultative process and the M&E policy will provide the Office with a platform for promoting and strengthening accepted standards for environmental evaluation. In future, it may be of interest to organize an international conference on evaluation of environmental issues, bringing together the range of partnerships established by the Office with evaluation associations, the scientific and NGO communities, donor and program countries. This possibility will be explored over the coming year.

STUDY OF LOCAL BENEFITS IN THE GEF PORTFOLIO – PROGRESS REPORT

32. The study of local benefits in the GEF portfolio was approved by Council in April 2003. The study explores the nature of links between attaining global environmental benefits and generating local benefits in GEF funded projects where these two kinds of benefits are supposed to be achieved.

33. Preliminary findings of the Local Benefits Study on the biodiversity focal area were presented at the World Conservation Congress in Bangkok. Responses to this presentation were used as an input into preparation of an overview of the key overall findings emerging from the study. This overview was discussed with the three study co-funders (Canada, Norway and Sweden) and a revised version was informally discussed with key stakeholders in the World Bank. The World Bank raised a number of issues relating to the study, which it shared with GEF Executive Coordinators in UNDP and UNEP. The Executive Coordinators requested a

meeting with the Director of the GEF Office of Monitoring and Evaluation, at which their concerns were discussed. As a result of this meeting, the Local Benefits Study Team committed itself to undertake a range of additional work to respond to the issues raised. It was also agreed that the IAs should be given an extended period of up to six weeks, in which to prepare a Management Response to the Local Benefits Study, in view of the comprehensive nature of the evidence, analysis and potential recommendations of the study.

34. The LBS team is currently addressing the following key issues raised by the IAs:

- The need for a clear exploration and analysis of why and under what circumstances GEF funds can be expended on activities designed to promote “local benefits”
- The need to clearly outline the coverage of the study and the extent to which it provides findings representative of the portfolio as a whole or a defined subset of the overall portfolio
- The nature and range of evidence (primary and secondary) gathered by the study and the robustness of the analysis undertaken as a means of drawing conclusions and formulating recommendations.

35. In order to fully address the issues, the study team has undertaken a range of work additional to the requirements of the original methodology and work plan, including:

- an analysis of GEF and non-GEF budgeted financing of “local benefit” and “stakeholder involvement” activities
- a detailed review of 123 Terminal Evaluations of GEF projects undertaken by the implementing Agencies
- additional analysis and presentation of quantified information derived from the LBS desk reviews of 132 projects, 25 non-field reviews and 18 field studies.

36. The need to undertake additional work and to allow up to six weeks for a Management Response made it impossible for the study to present its Final Report in time for the June 2005 Council. **The Final Report, including the Management Response to it, will therefore be presented to the November 2005 Council.**

EVALUATION OF GEF’S SUPPORT TO THE CARTAGENA PROTOCOL ON BIOSAFETY

37. As requested by the GEF Council, the GEF Office of Monitoring and Evaluation initiated in February 2005 an evaluation of GEF’s activities for assisting countries to prepare for the entry into force and implementation of the Cartagena Protocol, under the Convention on Biological Diversity (CBD).

38. The Terms of Reference, which is accessible on the GEF web site at www.theGEF.org, focus on four key issues:

- 1) The consistency of GEF support with the Cartagena Protocol and the needs of the countries;
- 2) The relevance and effectiveness of GEF support to capacity development efforts;
- 3) Countries' progress on building the requisite capacities towards their ratification and implementation of the Cartagena Protocol;
- 4) The effectiveness and efficiency of the modalities and approaches of GEF support.

39. The evaluation covers activities to develop draft National Biosafety Frameworks (NBFs) in 130 countries and the efforts to implement such frameworks in 12 countries. It will also include assessments of initial plans for capacity building for the establishment of national mechanisms to participate in the Biosafety Clearing House under the CBD in 50 countries.

40. The positions of evaluation team members were announced on GEF's website and through various networks connected to the GEF, its Implementing and Executing Agencies, as well as regional and national evaluation associations and research organizations. About 110 applications were received.

41. The evaluation is being carried out by two teams. One team, organized by the Free University of Amsterdam, the Netherlands, is conducting a Delphi study of the quality and usefulness of the UNEP/GEF Toolkits for the development of NBFs.

42. This work will consist of two phases. In the first phase the Free University will, in cooperation with a Panel of about 11 selected experts, prepare a questionnaire customized for selected respondents. The Panel members are recognized experts in the area of biotechnology and biosafety, with a background in governments, the private sector, academia, NGOs and donors in the biosafety area.

43. In the second phase, the Free University will seek responses to the questionnaire from a group of somewhere between 50-150 final respondents. The respondents will be chosen to represent five stakeholder groups involved in the Cartagena Protocol – government, academia, the biotechnology industry, NGOs and other biosafety donors. The respondents will be selected from both developing and developed countries.

44. On the basis of the responses, the Free University will prepare a synthesis of the responses, which will be sent back to the respondents with a request to indicate the extent to which they agree with it, and to make changes – if any – in their own responses to the previous questionnaire. After several research and feedback rounds the final responses will be edited and reported to the Office.

45. The second evaluation team is addressing the remaining issues (2- 4). It is in the process of conducting interviews with all relevant GEF entities, the CBD Secretariat and some major donors in the biosafety area. Further, it will analyze about 40 National Biosafety Framework documents which have recently been completed by the countries. It will also gather in-depth information from 21 selected countries.

46. Field visits of about a week's duration have been started and will be continuing until mid-July in Bahamas, Burkina Faso, China, Croatia, Ethiopia, Guatemala, India, Mexico, Morocco, Tajikistan and Uganda. The evaluation team is planning non-field reviews of projects in Botswana, Bulgaria, Chile, Colombia, Cuba, Lao PDR, Lebanon, Malaysia, Samoa and Turkey.

47. The country visits will entail meetings with the National Executing Agency, the National Project Coordinator, the Biosafety National Focal Points, the GEF Focal Point, the National Coordinating Committee and representatives of the National Competent Authority, if any has been named. The evaluation team will also meet with technical experts in risk assessment, risk management and legal and/or policy issues, as well as parliamentarians and politicians.

48. Further, the team will have focus group or individual interviews with project participants representing non-governmental stakeholders, like the private sector (the biotechnology industry, farmers' and traders' organizations and unions), academics, NGOs and indigenous groups, if relevant.

49. The final draft report will be completed and submitted to the GEF Council by mid-October 2005.